

Dubuque County/Dubuque Co. Asst. Co. Attorney Assn.

2007-2008
CEO: 877
SECTOR: 2

IN THE MATTER OF THE FACT FINDING BETWEEN

Dubuque County Attorneys Association

ASSOCIATION

-and-

Dubuque County, Iowa

EMPLOYER

FACT FINDER: Christine D. Ver Ploeg

DATE AND PLACE OF HEARING: May 14, 2008
County Courthouse
Dubuque, Iowa

DATE OF AWARD: May 24, 2008

ADVOCATES

For the Association

Jean Becker
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For the County

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INTRODUCTION

The Dubuque County Attorneys Association ("Association") and Dubuque County, Iowa ("County") have proceeded to this fact finding pursuant to Iowa Statute Chapter 20, Section 20.21.

Dubuque County has an estimated population of about 92,000. There are 21 cities in the County with Dubuque (population: 57, 686) the largest. The County employs 363 full-time, 93 part-time and 18 seasonal workers. The Board of Supervisors sets non-represented employee's wages and also sets deputies' salaries with input from the Iowa Compensation Board. The Association represents the County's nine county attorneys. The other Dubuque County bargaining units are:

1. Sunnycrest Manor (nursing home)		AFSCME
2. Secondary Road Department	38	Teamsters
3. Courthouse and Library Clerical	46	Teamsters
4. Assessor's Office	4 employees	Teamsters'
5. Deputy Sheriff unit	104	Deputy Association
6. Sheriff Management	12	Sheriffs Management

The parties' current Agreement expires June 30, 2008. They have met to negotiate a new Agreement and have resolved all items except the following, which they have now brought to this fact-finding proceeding:

1. Sick Leave Accumulation
2. Sick Leave payout upon IPERS retirement
3. Wages- step increases
4. Wages - general
5. Insurance
6. Term of contract

RELEVANT STATUTORY PROVISIONS

Iowa Statute provides in relevant part:

20.21 Fact-finding. If the impasse persist ten days after the mediator has been appointed, the board shall appoint a fact-finder representative of the public, from a list of qualified persons maintained by the board. The fact-finder shall conduct a hearing, may administer oaths, and may request the board to issue subpoenas. The fact-finder shall make written findings of

facts and recommendations for resolution of the dispute and, not later than fifteen days from the day of appointment, shall serve such findings on the public employer and the certified employee organization.

The public employer and the certified employee organization shall immediately accept the fact-finder's recommendation or shall within five days submit the fact-finder's recommendations to the governing body and members of the certified employee organization for acceptance or rejection. If the dispute continues ten days after the report is submitted, the report shall be made public by the board...

OVERVIEW

Fact finders who consider these issues do not apply a strict formula but instead consider the evidence as a whole. Two important bases for decision are: (1) determining what the parties would likely have negotiated had they been able to reach agreement at the bargaining table; and (2) seeking to avoid awards that significantly alter a bargaining unit's relative standing, whether internal or external, unless there are compelling reasons to do so.

Consistent with Iowa Stat. Section 20.22, Binding Arbitration, three types of evidence relevant to those two rationales are frequently presented in fact finding and interest arbitration. The parties have presented such evidence on two of them: evidence of "internal comparability" and evidence of "external comparability." The Employer has not argued the third factor, "ability to pay."

Internal Comparability

Parties present evidence of "internal comparability"--evidence of the terms and conditions of employment an employer provides its various employee groups--to demonstrate that the bargaining unit now in interest arbitration is or is not being treated equitably in comparison.

The deference traditionally given to internal comparisons in interest arbitration reflects a fundamental concern that this process not provide rewards beyond those which the parties would have secured through the collective bargaining process. As discussed above, the role of the fact finder is to determine what the parties themselves would have agreed to voluntarily. To award wages and benefits greater than these employees could

have negotiated, or greater than other employee groups have negotiated, risks undermining the collective bargaining process and provoking yet more impasse.

External Comparability

“External comparability” evidence--evidence which compares the employment terms and conditions of employees who perform same or similar work for different but “comparable” employers--is offered to demonstrate that the bargaining unit in interest arbitration is or is not being treated appropriately. In this case the parties largely agree that the ten other largest counties in Iowa represent an appropriate comparison group.

ISSUES AT IMPASSE

1. Sick Leave Accumulation

Parties' positions

County- remain fixed at 928 hours
Union- 1,280 hours

Association's evidence and argument

Bargaining unit members can currently accumulate a maximum of 928 hours of sick leave. This is consistent with the 928-hour limit set for the Sunnycrest Manor Unit and non-represented employees. However, it is less than the 950-hour limit set for the Secondary Roads and Courthouse/Library units, and the 1,400 hours set for the Deputy Sheriff unit.

The Association submits it would be fair and reasonable to increase bargaining unit employees' maximum sick leave accumulation to 1,280 hours. Not only is such increase supported by the internal comparisons, doing so could conceivably result in cost savings to the County as more highly paid senior employees would find it easier to retire (by being better able to cover their interim medical premium costs) as they are replaced by less highly paid junior employees.

County's evidence and argument

The County submits that it never voluntarily agreed to the Deputy Sheriffs' very high 1,400-hour sick leave accumulation maximum, and that setting that aside the proper comparisons do not support increasing this benefit.

Discussion and Decision

The Union's evidence and arguments do not support a non-negotiated increase in the sick leave accumulation.

2. Sick Leave payout upon IPERS retirement

Parties' positions

County - remain fixed at 150 hours
Union – increase to 250 hours

Association's evidence and argument

The Association seeks to increase the sick leave payout upon IPERS retirement from the current 150 hours to 250 hours.

County's evidence and argument

The County submits that the current 150-hour sick leave payout limit is appropriate.

Discussion and Decision

The Association did not offer any rationale in support of this change, and the evidence does not support doing so. Three other bargaining units have the same 150-hour payout, and the Sunnycrest Manor Unit and the Non-bargaining Unit have none.

3. Wages- step increases

The bargaining unit's current wage matrix has three grade classifications that depend on job assignment.¹ Each grade has an 8-step salary progression that generally takes seven years. The Association proposes adding two additional steps to the matrix at a flat rate of \$2,875 (before adding any annual wage increases). Employees currently at Step 8 would move to Step 9 in fiscal year 2009 and to Step 10 in fiscal year 2011.

Parties' positions

County- steps to remain fixed
Union- add two steps at \$2875. Employees currently at Step 8 would move to Step 9 in fiscal year 2009 and to Step 10 in fiscal year 2011.

¹ Grade 1, Grade 2 and Grade 3 depending upon job assignment: misdemeanor cases, felony and civil cases

Association's evidence and argument

The Association notes that many bargaining unit members are at the top of the wage matrix, with no room to advance beyond general wage increases. It justifies this proposal by pointing to the considerable benefits the County enjoys by virtue of these employees' exceptional skill and experience. The County is growing, and the County is adding deputy sheriffs to deal with this increasing population. At the same time the Assistant County Attorneys have—by virtue of their experience and hard work—kept pace with the growing demands placed upon their office without adding additional staff. The County should recognize the value more senior County Attorneys provide both financially and to the quality of the County justice system's overall functioning.

County's evidence and argument

The County submits that the Association's evidence has not justified this proposed change.

Discussion and Decision

The Association's proposal has been considered in the larger context of the wage and health insurance issues. Given that context, it is not recommended.

4. Wages-General

Parties' positions

Union- 5% FY09, reopen for FY10 and FY11
County- 3% each year FY09, in FY10 and in FY11

Association's evidence and argument

The Association submits that a higher than normal percentage wage increase for 2009, with re-openers for the 2010 and 2011 wages, is reasonable give this unit's historic lag in percentage increases. The lag is especially apparent when viewed from a historical context and in comparison with increases obtained by the Deputy Sheriff's unit. Moreover, the Association submits that salaries for comparable salaries in comparable counties support an increase, particularly at the higher end of the salary scale.

The Association disputes the County's cost-of-living statistics, noting that the last two quarters show a marked jump in the cost of living to 4.2% (4th quarter 2007) and 4.4% (1st quarter 2008). These increases are noted daily in the media.

County's evidence and argument

The County supports its 3% annual wage increase proposal by noting that the County's largest bargaining unit, the Sunnycrest Manor Unit, has voluntarily agreed to this increase. In addition, non-bargaining unit employees as well as elected officials, their deputies and all other management staff will also receive a 3% increase.

The County argues that internal and external comparisons of overall wage increases both support this proposal. In addition, a 3% increase compares favorably with the U.S. City Average Consumer Price Index increase of 2.4% for 2007, and the Social Security COL Adjustment of 2.3%.

Discussion and Decision

I have considered the evidence and argument on this issue and find that the County's proposed increase of 3% annually would maintain this bargaining unit at the top of the internal salary scale, and maintain members' relative standing among the eleven most populated counties in the state. Moreover, I have considered this issue in the larger context of the health insurance issue. Given that context, I recommend an annual wage increase of 3%.

5. Insurance

The County currently provides fully-paid health insurance to the employees of the bargaining unit through three different plans. Two plans are virtually identical HMOs and one plan is an indemnification policy. Bargaining unit members' contributions are limited to a \$10 co-pay for doctor's visits, \$75 for emergency room visits and \$100 for hospitalization. Drug co-pays are \$10 for generic drugs and \$15 for non-generic drugs. The indemnification plan has a deductible.

Parties' positions

County - 8% employee cost share for health and dental beginning 7-1-08 to be deducted through pre-tax payroll deduction.

Union- Health insurance (Article 13 to remain as it is in the current contract for FY09. Insurance to be reopened for FY10 and FY11.)

Association's evidence and argument

The Association recognizes that its current insurance benefit is, and has been, generous. It notes that because bargaining unit members have repeatedly identified retaining this benefit as a top priority, in prior negotiations the Association has been willing to compromise on other matters to retain it.

The Association is not discounting the growing pressure that escalating premiums place on the County. However, it argues that the best way to explore cost effective options is through a new joint Labor Management Insurance committee, such as the parties created in 2005. At that time representatives from constituent groups met throughout the year to educate themselves and consider alternative methods of providing this benefit. The result was a \$134,589 savings. The Association urges that the current benefit be retained for fiscal year 2009, and that a new Labor Management Insurance Committee be convened to work together to identify a sound way to provide future health care coverage.

County's evidence and argument

The County, noting that it also provides 100% dental insurance to its employees, argues that sky rocketing insurance rates mandate that employees now share in a small portion (8%) of their health and dental premium costs. Rates will have risen over 156% from 1995 through 2009. This is the first time the County has sought employee cost share for health and dental premiums, and the reasonableness of its proposal is evidenced by the fact that the County's largest bargaining unit, with the County's lowest average hourly wage,² recently ratified a three-year bargaining Agreement which includes cost share. Other local public sector employers who have collectively bargaining a percent cost share include the City of Dubuque and the Dubuque Community School District.

The County argues that it needs relief from providing this extraordinary benefit not only because of rising premiums, but also to prevent and minimize the migration to the County's plan by spouses of employees who have insurance available through their own Employers, but who switch for the sole reason that the County pays 100% of these

² The AFSCME unit at Sunnycrest Manor.

premiums. Moreover, when employees have a financial stake in the cost of insurance they will become better health care consumers. In addition, the County notes that implementing this cost share plan through a pre-tax payroll deduction would reduce employees' gross earnings and potentially reduce state and federal taxes.

Finally, the County argues that it would be futile to reconstitute a Labor Management Insurance Committee. The last committee's recommendation was to change nothing, which the Board of Supervisors did not accept. Nothing obliges the Board to convene such a committee, and given the wide variation in wage rates it is reasonable for the Board to bargain directly with each bargaining unit for a cost share arrangement.³

Discussion and Decision

There is no question that the health care benefit that these employees enjoy is extraordinarily generous, and one the County will not be able to provide ad infinitum. All other counties in the external comparison group require employee cost-sharing in one way or another.

One other County bargaining unit has recognized this and agreed to a cost share, as have other employee groups with other public sector employers. To perpetuate such a generous plan has prevented, and will continue to prevent, other benefits from increasing. Moreover, as noted by Fact-Finder Harvey Nathan:

... The high cost of health coverage results in an unfair distortion in the cost of employing persons with families. An employer should not have to consider the additional cost of hiring persons with families. Yet, given the many thousands of additional dollars it costs to employ such persons, this can become a real factor. It also is unfair to single employees because the cost of family coverage impacts the budget available for wages and other benefits.⁴

For these reasons, I agree with Fact-Finder Nancy Powers that, "The parties should analyze and negotiate a way for employees to shoulder part of the premium burden."⁵

Nevertheless, I am not prepared to recommend either the County's proposal for a percentage contribution or Fact-Finder Nathan's recommendation for a dollar

³ Wages currently vary from \$13.98 per hour to this unit's average \$41.18 per hour.

⁴ In the Matter of the Fact Finding Between Dubuque County and IBI Local 421, April 14, 2008, p. 7-8.

contribution. The County must make a greater effort to bring employees into the cost reduction process. Although I agree that the Board is not obliged to convene such a committee, it is noteworthy that the parties' earlier joint efforts did produce a recommendation that was adopted and did, in fact, reduce costs. The County should not now discount the possibility of similar progress through renewed collaborative efforts.

Finally, the County has not offered anything in return for such a significant change in this benefit. Also, a projected increase in premiums of 4.49% for 2009 is not so dramatic as to now compel a unilateral change to the current benefit.

⁵ In the Matter of the Fact Finding Between Dubuque County and IBI Local 421, April 25, 2008, p. 7

6. Term of Contract

Parties' positions

County - 3 year bargaining unit agreement
Union - 3 year with FY10 and FY11 for wages and insurance
with re-instituting the Insurance Committee

Discussion and Decision

With the above recommendations that (1) wages be set for the next 3 years, and (2) the insurance provision remain unchanged, I do not recommend a re-opener in the second and third years of the Agreement.

AWARD

For the above reasons, the following is recommended:

1. Sick Leave Accumulation
Remain fixed at 928 hours
2. Sick Leave payout upon IPERS retirement
Remain fixed at 150 hours
3. Wages- step increases
Steps to remain fixed
4. Wages - general
3% each year FY09, in FY10 and in FY11
5. Insurance
Health insurance to remain unchanged
6. Term
3 year Agreement

May 24, 2008



Christine Ver Ploeg, Arbitrator